

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1777-01
Bill No.: HB 731
Subject: Education, Elementary and Secondary; Disabilities; Children and Minors
Type: Original
Date: February 27, 2015

Bill Summary: This proposal establishes procedures for public school districts' treatment of students with dyslexia or a related disorder.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$68,520)	(\$58,778)	(\$58,837)
Total Estimated Net Effect on General Revenue	(\$68,520)	(\$58,778)	(\$58,837)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	(Unknown over \$125,385,160)	(Unknown over \$200,000)	(Unknown over \$200,000)

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Elementary and Secondary Education (DESE)** assume it is difficult to determine the fiscal impact; because, the impact will depend upon the level of testing conducted by each public school. Some schools may choose to screen each student enrolling and subsequently refer those positive results for treatment. Other schools may choose to clinically test each student enrolling. One option could pose little cost, while the other option will pose significant costs.

For §167.950.2 DESE is unable to estimate the fiscal impact. The extent of any costs will depend upon the number of children requiring treatment, as well as, the level of treatment provided. It would appear that significant costs will be incurred by local school districts and charter schools.

Oversight notes this proposal requires DESE to promulgate rules for the testing of each public school student. Oversight assumes that DESE would be able to promulgate the rules using existing resources and this portion of the proposal would not have a fiscal impact on DESE.

Officials at the **Department of Social Services (DSS)** assume the Division of Youth Services (DYS) operates accredited schools at each of its sites. Enactment of this proposal will create costs for the division as new testing of enrollees is required. Subsection 4 of this proposal prescribes that rules must be promulgated by DESE. These rules will bring definition to when testing for dyslexia and related disorders is "appropriate" for each enrollee. DESE promulgated rules will greatly determine the cost to DYS.

In order to provide a cost assessment DYS assumes that DESE rules will, at a minimum, require the screening of each enrollee for dyslexia or related disorders. Those enrollees whose screenings meet benchmarks that indicate a need for further testing will be referred to a qualified provider for such tests.

Screening Costs: -Provided by existing DYS education personnel

One Time Costs

DYS operates 80 educational groups statewide.

1 Dyslexia Screening Instrument (DSI) Complete Kit through Pearson PsychCorps =
\$123

123 x 80 groups = \$9,840 Initial Cost

ASSUMPTION (continued)

On-Going Costs:

Additional DSI Teacher Rating Forms (package of 25) = \$28.50/pkg.

\$28.50 x 80 groups = \$2,280 annual with a 1.025% inflation factor used to calculate SFY 17 (\$2,378) and SFY 18 (\$2,437).

Through a quick look at the research of the prevalence of dyslexia and related disorders, it is common to find that 5-10% of the population is impacted. It is important to note that symptoms of dyslexia and their effect range from mild to severe. DYS enrolled approximately 800 students in FY 2014. If we assume that DYS screenings for dyslexia and related disorders produce outcomes consistent with 5-10% prevalence of dyslexia; the division would have made 40 - 80 referrals for further testing. DYS contacted three qualified providers of testing for dyslexia.

Their costs were reported as follows:

Columbia, MO \$100/hr for 7 hrs = \$700

Kansas City, MO = \$711

St. Louis, MO = \$703

Testing Costs - Provided by contracted specialist

Average cost of dyslexia test = \$705

Assume average number of new enrollees/yr. = 800

5 - 10% dyslexia or related disorder prevalence rate

800 new enrollees x 5-10% = 40 - 80 dyslexia tests

40 - 80 dyslexia tests x \$705 avg. cost = \$28,200 - \$56,400

DYS has special education resources in place to provide services to youth in care with learning disabilities. The division currently provides service to 35 youth with reading-related learning disabilities. Categories include Reading Fluency, Reading Comprehension, and Basic Reading Skills.

DYS provides several trainings for education staff annually. DYS may choose to focus training efforts on screening /testing /treatment of dyslexia and related disorders. These related training costs can be absorbed in the existing budget.

Officials at the **Kansas City Public Schools (KCPS)** assume they can not estimate the impact until such time as DESE identifies how it would promulgate rules to implement the testing. KCPS anticipates there will be a negative fiscal impact.

ASSUMPTION (continued)

Officials at the **Cole R-1 School District** assume there will be a fiscal cost for this bill. Currently, the materials needed to assess all students for dyslexia are very costly and the person doing the assessment must be trained to give the assessment. In addition, if the testing is done outside of the regular school day/year, there will be additional salary and benefit costs for the district. It is not known how much it will cost, but it will be costly!

Officials at the **Special School District** assume it would be very expensive to test and treat all students. The impact is unknown at this time.

Officials at the **Malta Bend Schools** assume there is no fiscal impact from this proposal.

Oversight notes that according to the Yale Center for Dyslexia and Creativity, Dyslexia Research Institute, and DyslexiaHelp at the University of Michigan approximately 20% of people have dyslexia or a related disorder. DESE notes there are 618,594 kids in grades K-8 and 269,047 kids in grades 9-12 or 887,641 in Missouri public schools. Therefore, as many as 177,528 (887,641 X 20%) could have dyslexia or a related disorder and need treatment by the school districts.

Oversight notes that unless a school district already has a Dyslexia Specialist on staff that could do the testing and treatment a school district would need to purchase the Dyslexia Screening Instrument for \$123 and additional Teacher Rating Forms. Oversight, for fiscal note purposes, will show a one-time impact to schools for purchase of the Dyslexia Screening Instrument of \$63,960 (\$123 x 520 school districts). Oversight notes due to the size of school districts, most would need to purchase more than one Dyslexia Screening Instrument. Oversight will show the impact as Unknown greater than two Dyslexia Screening Instruments per district \$127,920 (\$123 x 2 X 520). Oversight is not able to predict how many Teacher Rating Forms school districts will need annually. Oversight will show the impact as Unknown.

Oversight notes DSS determined the average cost of a contracted Dyslexia Specialist to perform the diagnostic testing is \$705. Oversight assumes all the dyslexia screened students (177,528) would need to be tested by a Dyslexia Specialist to determine the specific kind of dyslexia or related disorder and severity in order to establish a treatment plan. The impact to the schools would be \$125,157,240 (177,528 x \$705). Oversight notes that during the first year of implementation of this program these students would all be tested. After that only new students entering school would need to be tested. Oversight will show the impact as \$125,157,240 for FY 2016 and Unknown greater than \$100,000 for FY 2017 and beyond.

ASSUMPTION (continued)

Oversight notes that this proposal requires school districts to provide treatment for the dyslexia or related disorders. Due to the numerous types of dyslexia and the severity at which a person may have it, it is impossible to determine at this time an average cost for treatment. Oversight will show the impact to schools as Unknown over \$100,000 for treatment.

Officials at the **Joint Committee on Administrative Rules** and **Office of the State Courts Administrator** each assume there is no fiscal impact to their respective organization from this proposal.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials at the following schools: Blue Springs Public Schools, Branson Public Schools, Caruthersville School District, Columbia Public Schools, Everton R-III School District, Fair Grove Schools, Fulton Public School, Harrisonville School District, Independence Public Schools, Jefferson City Public Schools, Kirksville Public Schools, Kirbyville R-VI Schools, Lee Summit Public Schools, Macon School, Mexico Public Schools, Monroe City R-I Schools, Nixa Public Schools, Parkway Public Schools, Pattonville Schools, Raymore-Peculiar R-III Schools, Raytown School District, Riverview Gardens School District, Sedalia School District, Sikeston Public Schools, Silex Public Schools, Spickard School District, Springfield School District, St Joseph School District, St Louis Public Schools, St. Charles Public Schools, Sullivan Public Schools, Warren County R-III School District and Waynesville Public School did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE			
<u>Cost - Department of Social Services</u>			
Purchase of Screening Instrument	(\$9,840)	\$0	\$0
Additional Teacher Rating Forms	(\$2,280)	(\$2,378)	(\$2,437)
Testing by specialist	<u>(\$56,400)</u>	<u>(\$56,400)</u>	<u>(\$56,400)</u>
<u>Total Cost - DSS</u>	<u>(\$68,520)</u>	<u>(\$58,778)</u>	<u>(\$58,837)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$68,520)</u>	<u>(\$58,778)</u>	<u>(\$58,837)</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2016 (10 Mo.)	 FY 2017	 FY 2018
LOCAL SCHOOL DISTRICT FUNDS			
<u>Cost - School Districts-</u>			
	(Unknown greater than \$127,920)	\$0	\$0
Purchase of Screening Instrument	(\$125,157,240)	(Unknown over \$100,000)	(Unknown over \$100,000)
Teacher Ratings Forms	(Unknown over \$100,000)	(Unknown over \$100,000)	(Unknown over \$100,000)
Testing by Specialist	(Unknown over \$125,385,160)	(Unknown over \$200,000)	(Unknown over \$200,000)
Treatment			
<u>Total Costs - School Districts</u>	<u>(Unknown over \$125,385,160)</u>	<u>(Unknown over \$200,000)</u>	<u>(Unknown over \$200,000)</u>
ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICTS	<u>(Unknown over \$125,385,160)</u>	<u>(Unknown over \$200,000)</u>	<u>(Unknown over \$200,000)</u>
 <u>FISCAL IMPACT - Small Business</u>			

No direct fiscal impact to small businesses would be expected as a result of this proposal.

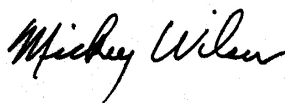
FISCAL DESCRIPTION

This bill requires every public school to test each enrolling student for dyslexia and related disorders at appropriate times in accordance with rules established by the State Board of Education. The school board of each district and the governing board of each charter school must provide for the treatment of any student determined to have dyslexia or a related disorder.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Cole R-1 Schools
Department of Elementary and Secondary Education
Department of Social Services
Joint Committee on Administrative Rules
Kansas City Public Schools
Malta Bend Schools
Office of the State Courts Administrator
Office of the Secretary of State
Special School District of St. Louis



Mickey Wilson, CPA
Director
February 27, 2015

Ross Strobe
Assistant Director
February 27, 2015